there was roughly 60 cents spent on R&D by biotech companies. Without question, capital investment for R&D is essential if these new therapies are to be developed and made available to the market.

Much like the biotech industry, the medical device sector is also overwhelmingly composed of smaller manufacturers, with 90 percent of firms having fewer than 100 employees. Most of these small engines of growth focus on niche products with revenues of less than $100 million, yet they generate 28 percent of the industry's R&D spending. This commitment to R&D often means that these companies are the source of some of the most cutting-edge innovations, which can radically improve treatment options for patients.

To continue to develop and improve the medical devices available to patients, the medical technology industry invests heavily in R&D. Today, the device industry leads global medical technology R&D, both in terms of innovation as well as investment. In absolute terms, R&D spending has increased 20 percent on a cumulative annual basis since 1990. The industry's level of spending on R&D is more than three times the overall U.S. average.

Encouraging new investment in the life sciences industry will enable this key sector of the American economy to grow and flourish in the years ahead. The American Life Sciences Competitiveness Act of 2007 contains both corporate and investor oriented provisions to ensure access to capital and continued vigorous research and development in biotechnology and medical devices.

This comprehensive legislation includes a number of provisions that would remove barriers to capital formation currently in our tax code. Specifically, the legislation modifies the Net Operating Loss (NOL) rules of Section 382, with the goal of enhancing the capacity of life sciences firms to leverage capital for use in high-tech, high-risk cutting-edge research. The legislation ensures that neither the raising of new research capital by biotech companies nor a business-driven merger of two biotech loss companies will trigger the 382 Net Operating Loss (NOL) limitations.

In addition, the legislation contains two important modifications to the existing R&D tax credit. The legislation increases, from 65 percent to 100 percent, the amount of contract research expenses by life sciences firms eligible for the R&D credit. The legislation also increases the amount of basic research payments to universities from life sciences companies that qualifies for the full R&D credit.

Importantly, the legislation recognizes the grave threat the country faces from bio-terrorist attacks and a potential avian flu epidemic and contains tax incentives designed to spur the industry to develop effective countermeasures. This provision provides a 20 percent credit on qualified pre-clinical and clinical trial expenses associated with the development of a countermeasure to combat pandemic flu or bioterrorist attacks.

The bill also makes an important change to the orphan drug tax credit, allowing clinical trial expenses incurred after an application is made to the FDA, but before the orphan designation is received, to qualify for the credit. This change removes the current incentive to delay research and will help speed new orphan drug therapies to the market.

In addition to the corporate-sector incentives, the American Life Sciences Competitiveness Act of 2007 contains two important provisions targeted towards the life sciences investor. One provision allows capital gains on the sale of stock in a life sciences company held for longer than 6 months to be deferred as long as the proceeds are reinvested in another life sciences company within 60 days. The second provision provides a 20 percent credit for investors in biotech firms engaged in incubational research. "Incubational research" refers to early, cutting-edge research that often occurs shortly after university laboratory research and prior to large-scale clinical trials. This stage of research is often termed the "Valley of Death" because the dearth of investment results in promising investigational therapies and products withering on the vine for lack of adequate capital.

America's life sciences industry is strategically and economically vital. We must take every action we can to keep our Nation at the forefront of this emerging technology sector. Countries with significant government investments in their biotech industries, such as India and China, pose a serious long-term challenge to America's biotechnology and medical device industries.

The American Life Sciences Competitiveness Act of 2007 will give American companies important tools to answer this challenge and ensure that our scientists have the opportunities to research, develop and bring to market life-saving treatments.

Biotechnology and medical device products will be in demand from billions of people worldwide, creating a tremendous boon to the economies that create these products. Keeping the United States at the forefront of global life sciences innovation will translate into more and better-paying jobs here at home. The actions we take today will determine the winners and losers in the 21st century global economy. I urge my colleagues to support this important bill and better ensure that our economy continues to compete—and win.

PERSONAL EXPLANATION

HON. SUE WILKINS MYRICK

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, August 1, 2007

Mrs. MYRICK. Madam Speaker, I was unable to participate in the following votes. If I had been present, I would have voted as follows:

July 30, 2007—Rollcall vote 758, on motion to suspend the rules and pass—H.R. 2750, NASA 50th Anniversary Commemorative Coin Act—I would have voted "aye"; rollcall vote 759, on ordering the previous question—H. Res. 580, Providing for consideration of the bill H.R. 986, to designate the Eightmile River in the State of Connecticut—I would have voted "nay"; rollcall vote 760, on agreeing to the resolution—H. Res. 580, Providing for consideration of the bill H.R. 986, to designate the Eightmile River in the state of Connecticut—I would have voted "nay"; rollcall vote 761, on ordering the previous question—H. Res. 579, Providing for consideration of the bill (H.R. 2831) to amend title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans With Disabilities Act of 1990, and the Rehabilitation Act of 1973 to clarify that a discriminatory compensation decision—I would have voted "nay"; and rollcall vote 762, on agreeing to the previous question—Providing for consideration of the bill (H.R. 2831) to amend title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967, the Americans With Disabilities Act of 1990, and the Rehabilitation Act of 1973 to clarify that a discriminatory compensation decision—I would have voted "nay."

FARM, NUTRITION, AND BIOENERGY ACT OF 2007

SPEECH OF

HON. TODD TIAHRT

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, July 27, 2007

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 2419) to provide for the continuation of agricultural programs through fiscal year 2012, and for other purposes:

Mr. TIAHRT. Mr. Chairman, I rise today with great reluctance that I am not able to support the Farm, Nutrition, and Bioenergy Act of 2007, H.R. 2419. The Agriculture Committee worked for many months in a bipartisan manner to craft an omnibus farm bill that would have achieved broad support in the House. H.R. 2419 was not a perfect bill, but it was a compromise that I would have supported in hopes that an even better package could be produced during conference negotiations with the Senate.

Unfortunately, Democrat leadership decided to insert a last-minute tax increase into the farm bill after the bill had left the House Committee on Agriculture. The tax provision represents a $7.5 billion increase in taxes on companies that supply high-quality, high-paying jobs for American workers. These are often union jobs held by hard-working men and women trying to earn a living for their families. Instead of producing a farm bill that meets the needs of America's farmers, ranchers, landowners and those who rely on nutrition programs, the Democrats have instead resorted to a tax-and-spend policy instead of an invest-and-create-jobs policy.

The $7.5 billion tax increase on foreign-owned American businesses inserted in H.R. 2419 could result in more jobs being sent overseas. In a time when the United States should be encouraging investment in our country and in American jobs, this kind of tax policy takes our economy a step backward. The last-minute Democrat tax increase will make it less attractive for foreign companies that employ American workers to initiate or expand operations in the United States. And that means bad news for American workers.

The United States has negotiated 58 tax treaties with 66 different countries. The Democrat tax proposal applies a tax increase on companies located in countries with which we have a tax treaty. This calls into serious question the United States' upholding our end of the treaties, which could invite retaliation.

Aside from the damage H.R. 2419 would do to American jobs, the Democrat's farm bill would cut a total of $3 billion from the crop insurance program compared to the 2002 farm bill. Most troubling, is that $1 billion of these